

Message Text

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ACTION ARA-14

INFO OCT-01 ISO-00 SS-15 SP-02 NSC-05 SIG-01 MMO-01
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PRS-01 PA-01 A-01 HA-05 IO-13 OES-07 EB-08 AID-05
IGA-02 OMB-01 TRSE-00 ACDA-12 MCE-00 CU-04 /120 W
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R 191945Z DEC 77
FM AMEMBASSY LA PAZ
TO SECSTATE WASHDC 8609
INFO AMEMBASSY LIMA
AMEMBASSY QUITO
SECDEF WASHDC/DSAA
USCINCSO QUARRY HTS CZ

S E C R E T SECTION 1 OF 2 LA PAZ 10095

E.O. 11652: GDS
TAGS: MASS, BL, XX
SUBJ: PREPARATION OF CONGRESSIONAL PRESENTATION DOCUMENT
(DPC) FOR FY 1979 SECURITY ASSISTANCE PROGRAM

REF: (A) STATE 297352, (B) STATE 295557, (C) LA PAZ 9954,
(D) LA PAZ 5562, (E) LA PAZ 5911

1. PROGRAM INPUT REQUESTED BY PARA 3 REF A FOLLOWS:

A. JUSTIFICATION OF PROGRAM. US NATIONAL SECURITY INTERESTS
ARE NOT NOW DIRECTLY AFFECTED BY EVENTS IN BOLIVIA; HOWEVER,
BASIC FOREIGN POLICY OBJECTIVE ARE.
IT IS IN THE DIRECT INTEREST OF THE US TO ENCOURAGE INTER-
NATIONAL STABILITY IN THE ANDEAN REGION SO AS TO CREATE AN
ATMOSPHERE CONDUCIVE TO THE ECONOMIC, SOCIAL AND POLITICAL
DEVELOPMENT OF THE INDIVIDUAL NATIONS. IN THIS REGARD,
BOLIVIA--A POOR BUT DEVELOPING COUNTRY; SMALL IN POPULATION;
RICH IN NATURAL RESOURCES; AND, ALTHOUGH LANDLOCKED, IMPORTANTLY
LOCATED WITH BORDERS WITH FIVE OTHER SOUTH AMERICAN NATIONS--IS

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IMPORTANT TO THE US. BOLIVIA HAS TAKEN POSITIVE ACTIONS
WHICH PARALLEL AND SUPPORT US FOREIGN POLICY OBJECTIVES.
ECONOMIC DEVELOPMENT IN RECENT YEARS HAS BEEN STEADY AND
SIGNIFICANT, GOVERNMENT PROGRAMS HAVE BEEN IMPLEMENTED
TO IMPROVE LIVING CONDITIONS OF THE PEOPLE, EXPENDITURE FOR
MILITARY SUPPLIES AND EQUIPMENT HAVE BEEN CONSISTENTLY
SUBORDINATED TO PRIORITIES FOR NATION BUILDING, PROGRESS

IN GUARANTEEING HUMAN RIGHTS HAS BEEN NOTED, AND THE GOVERNMENT HAS ANNOUNCED THAT NATIONAL ELECTIONS WILL TAKE PLACE 9 JULY 1978, MAKING BOLIVIA THE FIRST OF THE CURRENT LATIN AMERICAN MILITARY REGIMES TO RETURN TO DEMOCRATIC POLITICAL CONCEPTS.

IN TERMS OF INTERNATIONAL RELATIONSHIPS, THE ANDEAN REGION IS THE MOST VOLATILE IN THE HEMISPHERE. PERU MAINTAINS A SIGNIFICANT ARMS SUPERIORITY OVER ANY OF ITS NEIGHBORS. IN THE CASE OF BOLIVIA, THIS SUPERIORITY IS OVERWHELMING. NEVERTHELESS, BOLIVIA NOT ONLY HAS RESTRAINED ARMS PURCHASES, BUT HAS UNDERSCORED THE ROLE AND IMPORTANCE OF THE ARMED FORCES IN SUPPORTING THE NATION BUILDING EFFORT THROUGH HEAVY EMPHASIS ON CIVIC ACTION PROGRAMS WHICH ARE EXECUTED THROUGHOUT THE COUNTRY BY ALL SERVICES. THE IMPORTANCE OF STABILITY TO THE CONTINUING DEVELOPMENT (ECONOMIC, SOCIAL, POLITICAL) OF BOLIVIA AND ACCESS TO ITS RAW MATERIALS, CANNOT BE OVEREMPHASIZED.

SUBSEQUENT TO THE JULY ELECTIONS, THE ARMED FORCES WILL CONTINUE TO REPRESENT AN INFLUENTIALLY IMPORTANT AND AND STABILISING SECTOR OF BOLIVIAN SOCIETY AS THE COUNTRY CARRIES OUT THE TRANSITION FROM A MILITARY TO A CIVILIAN GOVERNMENT. THE MODEST US SECURITY ASSISTANCE PROGRAM PROPOSED FOR BOLIVIA IS SUPPORTIVE OF US POLICY AND INTERESTS. IT IS CONSISTENT WITH ARMS TRANSFER CONTROL
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POLICY IN THAT IT CONTEMPLATES NO TRANSFERS WHICH COULD FURTHER DESTABILIZE THE REGION, NOR WHICH WOULD BE CONSTRUED AS EXCESSIVE ARMING BY OTHER NATIONS IN THE REGIONS. IT ALSO PROVIDES A BASIS FOR CONTINUATION OF THE INTERNATIONAL SECURITY COOPERATION WHICH HAS BEEN OF MUTUAL BENEFIT TO BOLIVIA AND THE US./

2. DESCRIPTION OF PROGRAM

(1) IMET - \$450,000: FY 1979 WILL CONINUE TO BE ORIENTED TOWARD ENCOURAGING ATTENDANCE IN COURSES AIMED AT INCREASING THE PROFESSIONALISM OF THE BOLIVIAN ARMED FORCES. FURTHER, INCREASED ATTENDANCE OF STUDENTS AT CONUS SCHOOLS WILL BE STRESSED IN ORDER TO ENHANCE CURRENT AND FUTURE US/BOLIVIAN RELATIONS. DURING FY 77, SIX BOLIVIAN STUDENTS WERE TRAINED IN THE US AND 228 WERE TRAINED IN THE CANAL ZONE. IN FY 78, 33 STUDENTS ARE PROGRAMMED TO BE TRAINED IN THE US AND 236 IN THE CANAL ZONE. IN FY 79, THE NUMBER OF STUDENTS TO BE TRAINED IN CONUS IS EXPECTED TO CONTINUE TO INCREASE. THE FOLLOWING PROFESSIONAL LEVEL COURSES WERE ADDED TO THE TRAINING PROGRAM IN FY 78; COMMAND AND GENERAL STAFF; ENGINEERING OFFICER ADVANCED; ARMOR OFFICER BASIC;

SPECIAL FORCES OFFICER; NAVAL STAFF COURSE FOR INTER-
NATIONAL OFFICER; AND PATROL BOAT COMMANDER. A LIMITED
AMOUNT OF TECHNICAL TRAINING IS INCLUDED IN THE
PROGRAM TO ENSURE PROPER OPERATION AND MAINTENANCE OF
EQUIPMENT OF US MANUFACTURE. US AND BOLIVIAN COOPERATION IN
CHARTING AND MAPPING OF THE COUNTRY WILL BE ENHANCED BY
TRAINING SELECTED OFFICERS IN CERTAIN IAGS COURSES. FOLLOWING
IS A DESCRIPTION OF SPECIFIC TYPES OF TRAINING TO BE
CONDUCTED IN THE US AND THE CANAL ZONE.

(A) COURSES IN THE US
COMMAND AND GENERAL STAFF
ENGINEER OFFICER ADVANCED
ARMOR OFFICER BASIC
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SPECIAL FORCES OFFICER
SATELLITE DOPPLER POSITION
IAGS ADVANCED CARTOGRAPHY
IAGS SEMI-ANALYTICAL AERIAL TRIANGULATION
T-41 PILOT TRAINING
T-37 PILOT TRAINING
C-130 NAVIGATOR TRAINING
NAVAL STAFF COURSE FOR INTERNATIONAL OFFICERS
ENGLISH LANGUAGE TRAINING

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(B) COURSES IN THE CANAL ZONE
COMBAT ARMS BASIC (CADETS)
JOINT OPERATIONS COURSE LATIN AMERICA
COMMAND AND GENERAL STAFF
SUPPLY OFFICER
AIRCRAFT MECHANIC
INVENTORY MANAGEMENT AND WAREHOUSE SPECIALIST
INSTRUMENT REPAIR
C-130 T-56 ENGINE MAINTENANCE
AIRCRAFT MAINTENANCE OFFICER
BASIC INFANTRY OFFICER
PATROL BOAT COMMANDER
PATROL BOAT ELECTRONICS

(2) FMS FINANCING - \$6,000,000. DURING RECENT YEARS THE GOB HAS KEPT ITS MILITARY AND ARMS EXPENDITURES AT A REDUCED LEVEL AND HAS GIVEN PRIORITY TO NATIONAL ECONOMIC DEVELOPMENT. PURCHASES WITH FMS FINANCING HAVE BEEN ORIENTED TO NATION BUILDING PROJECTS. FY 74 CREDITS WERE USED FOR THE PURCHASE OF TRANSPORT AND PHOTO MAPPING AIRCRAFT; FY 75
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CREDITS FOR THE PURCHASE OF ENGINEER CONSTRUCTION EQUIPMENT; FY 76 CREDITS FINANCED THE PURCHASE OF ONE C-130 AIRCRAFT. BOLIVIA DECLINED FMS CREDITS IN THE AMOUNT OF \$12M IN FY 77 ON THE GROUNDS THAT TERMS WERE TOO HARD. THE GOB HAS INDICATED AN INTEREST IN UTILIZING FY 78 CREDITS FOR THE PURCHASE OF MEDICAL EQUIPMENT TO EQUIP A MILITARY HOSPITAL NOW UNDER CONSTRUCTION. WE BELIEVE THAT FY 79 CREDITS WILL BE USED TO PURCHASE SIX UH1H AIRCRAFT TOGETHER WITH AN INITIAL SUPPORT PACKAGE AND ASSOCIATED TRAINING. THESE HELICOPTERS WILL BE USED IN CIVIC ACTION, DISASTER RELIEF, AND NATION BUILDING ROLES AS HAVE THE OTHER ITEMS OF EQUIPMENT WHICH THE BOLIVIAN AMRED FORCES HAVE FINANCED WITH PREVIOUS FMS FINANCING.

(3) FMS PURCHASES - WE ESTIMATE THAT THE GOB WILL SPEND APPROXIMATELY \$2M FOR FMS CASH IN FY 79. THE BULK OF THE FUNDXS WILL BE USED FOR THE PURCHASE OF SMALL CALIBER AMMUNITION AND REPAIR PARTS TO MAINTAIN MAP AND FMS EQUIPMENT CURRENTLY IN THEIR INVENTORY.

2. IN ADDITION TO THE ABOVE, THERE ARE SEVERAL ASPECTS OF THE FY 79 SECURITY ASSISTANCE PROGRAM WHICH ARE NOT APPROPRIATE FOR DISCUSSION IN THE UNCLASSIFIED CPD BUT WHICH REQUIRE COMMENT OR CLARIFICATION.

A. THE REQUIREMENT TO PREPARE AN UNCLASSIFIED SUMMARY OF US FOREIGN POLICY AND US NATIONAL SECURITY CONSIDERATIONS INVOLVED IN OUR SECURITY ASSISTANCE RELATIONSHIP WITH BOLIVIA PRECLUDES DIRECT REFERENCE TO BASIC CLASSIFIED DOCUMENTS SUCH AS THE PARM AND REFERENCES B AND C, AS WELL AS D AND E WHICH DELINEATE EMBASSY VIEWS CONCERNING THE IMPORTANT OF SECURITY ASSISTANCE TO US INTERESTS AND OBJECTIVES IN BOLIVIA.

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B. IT IS ASSUMED THAT, SHOULD EFFORTS TO SEEK SEPARATE FUNDING LEVELS FOR THE CANAL ZONE SCHOOLS FAIL, THE PROPOSED IMET LEVELS WILL BE RAISED ACCORDINGLY. SHOULD THIS OCCUR, WE WOULD ANTICIPATE A LEVEL SOMEWHAT HIGHER THAN FY 78 (\$750,000) WOULD BE REQUIRED TO MAINTAIN A REAL LEVEL OF TRAINING IN THE FACE OF CONSTANTLY RISING COURSE COSTS.

C. THE DISCUSSION IN PARA 1 ABOVE IS THE EMBASSY'S JUSTIFICATION FOR DMS FINANCING AT THE PROPOSED FUNDING LEVEL OF \$6 MILLION. WE WISH TO STRESS, HOWEVER, THAT THE PROPOSED SUM IS A PRECIPITOUS REDUCTION FROM RECENT FMS LEVELS OF AROUND \$14 MILLION. EVEN IF THE US HAS NO POLITICAL MOTIVE IN SUCH A DRASTIC DROP, THE BOLIVIANS WILL INEVITABLY INTERPRET IT AS HAVING POLITICAL CONNOTATIONS. MOREOVER, WE WOULD BE OFFERING THE \$6 MILLION TO WHAT WE EXPECT WILL BE A NEWLY-ELECTED DEMOCRATIC GOVERNMENT--PERHAPS THE FIRST IN RECENT YEARS IN THE SOUTHERN CONE--AND SUCH A REDUCTION IN FMS MAY WELL BE JUDGED HERE AS INDIFFERENCE TO DEMOCRATIC PROCESSES OR AS A SIGNIFICANT INDICATION OF LACK OF US SUPPORT FOR A NEW DEMOCRATIC REGIME. THIS REDUCTION MIGHT ALSO WEAKEN THE CIVILIAN GOVERNMENT'S (AND OUR OWN) LEVERAGE WITH THE BOLIVIAN MILITARY. WE STRONGLY BELIEVE THAT ANY SIGNIFICANT REDUCTION IN OUR ALREADY MODEST SECURITY ASSISTANCE PROGRAM WOULD BE DETRIMENTAL TO THE PURSUIT OF OUR GOALS AND OBJECTIVES HERE. EMBASSY RECOMMENDS A MORE MODEST REDUCTION IN FMS, TO A LEVEL SUCH AS \$10 MILLION, WHICH WOULD BE MUCH MORE UNDERSTANDABLE TO THE BOLIVIANS AND CONSISTENT WITH OUR POLICY OF ENCOURAGING A DEMOCRATIC REGIME IN BOLIVIA.

D. REF B IDENTIFIES "STIMULATION OF CONTINUED FOCUS ON DEVELOPMENTAL USES OF MILITARY EQUIPMENT, LOWERING OF REGIONAL TENSIONS", AS A PRINCIPAL GOAL OF US POLICY IN BOLIVIA. FURTHER, IN REF C, WE SUGGESTED INCLUDING IN US GOALS AND OBJECTIVES "ENCOURAGING THE BOLIVIAN MILITARY TO RETURN TO TRADITIONAL TASKS OF INTERNAL SECURITY, NATIONAL DEFENSE

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AND CIVIC ACTION". WE BELIEVE THAT THE SECURITY ASSISTANCE PROGRAM WILL BE ONE OF OUR PRINCIPAL MEANS TO WORK TOWARD THESE GOALS. IN THIS REGARD, FMS FINANCING WOULD BE OF CONSIDERABLY GREATER VALUE IN SUPPORT OF OUR GOALS AND OBJECTIVES IF TERMS (INTEREST RATES AND PAYBACK PERIOD) COULD BE MADE SOFTER UP TO THE LEGAL MAXIMUM FOR MATERIAL DESTINED TO SUPPORT THE MILITARY'S CIVIC ACTION ROLES, RETAINING PRESENT TERMS FOR PURCHASES, IF ANY, OF MILITARY HARDWARE. THIS ACTION IS JUSTIFIED IN VIEW OF THE RELATIVELY SMALL FISCAL RESOURCES WHICH WILL BE AVAILABLE TO THE NEW GOB ESPECIALLY SHOULD GOB OPT TO CONTINUE TO PURCHASE MATERIAL MORE SUITED TO NATION BUILDING THAN TO WAR MAKING. SUCH ACTION WOULD INCREASE THE LIKELIHOOD THAT GOB WOULD USE THE CREDITS, HENCE, ENCOURAGING THE MILITARY'S CIVIC ACTION ROLE, WHILE CONTINUING TO PROVIDE THE CONSTRUCTIVE ACCESS TO THE MILITARY WHICH WE WISH TO MAINTAIN AND STRENGTHEN. TERMS WOULD BE STRUCTURED IN SUCH A WAY AS TO PROVIDE INCENTIVES TO ENCOURAGE THE PURCHASE OF EQUIPMENT SUPPORTIVE OF THE NATIONAL BUILDING ROLE WHICH WE PREFER THAT THE BOLIVIAN ARMED FORCES FOLLOW.
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Message Attributes

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Disposition Date: 22 May 2009
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Disposition History: n/a
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Enclosure: n/a
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Expiration:
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Original Handling Restrictions: n/a
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Previous Classification: SECRET
Previous Handling Restrictions: n/a
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Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 188618
Secure: OPEN
Status: NATIVE
Subject: PREPARATION OF CONGRESSIONAL PRESENTATION DOCUMENT (DPC) FOR FY 1979 SECURITY ASSISTANCE PROGRAM
TAGS: MASS, BL, XX
To: STATE
Type: TE
vdkgvwkey: odbc://SAS/SAS.dbo.SAS_Docs/e91a0601-c288-dd11-92da-001cc4696bcc
Review Markings:
Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
22 May 2009
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009